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7 Attorneys for Specially Appearing
8 Defendant RCI HOSPITALITY
HOLDINGS, INC.

9 **UNITED STATES DISTRICT COURT**

10 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

11 JULIA HUBBARD and KAYLA
12 GOEDINGHAUS,

13 Plaintiffs,

14 vs.

15 TRAMMELL S. CROW, JR.,
DR. BENJAMIN TODD ELLER,
16 RICHARD HUBBARD,
DR. MELISSA MILLER, DR. JOSEPH
17 BOLIN, DR. SCOTT WOODS,
DR. MRUGESHKUMAR SHAH,
18 MICHAEL CAIN, COE JURACEK,
PHILIP ECOB, H.J. COLE, TEXAS
19 RANGER CODY MITCHELL, KURT
KNEWITZ, PAUL PENDERGRASS,
20 RALPH ROGERS, ROBERT PRUITT,
SCOTT BRUNSON, CASE GROVER,
21 RICHARD BUTLER, MARK
MOLINA, MICHAEL HYNES, JR.,
22 SHAWN MAYER, JADE MAYER,
RCI HOSPITALITY HOLDINGS,
23 INC., INTEGRITY BASED
MARKETING, LLC, STORM
24 FITNESS NUTRITION, LLC, ULTRA
COMBAT NUTRITION, LLC,
25 ECOLOFT HOMES LLC, ELÉVATED
WELLNESS PARTNERS LLC, DOE
26 INDIVIDUALS 1–20, and DOE
COMPANIES 21–30,

27 Defendants.
28

CASE NO. 2:22-cv-7957

Assigned to Honorable
Fernando L. Aenlle-Rocha

**DECLARATION OF SCOTT
SHERMAN IN SUPPORT OF
DEFENDANT RCI HOSPITALITY
HOLDINGS, INC.'S MOTION TO
DISMISS**

Date: April 7, 2023
Time: 1:30 p.m.
Dept: 6B, 6th Floor

Assigned to the Hon. Fernando L.
Aenlle-Rocha

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DECLARATION OF SCOTT SHERMAN

I, Scott Sherman, declare as follows:

1. My name is Scott Sherman. I am over twenty-one years of age, of sound mind, have never been convicted of a felony or crime involving moral turpitude, and in every respect capable of making this Declaration. All statements in this Declaration are true, correct, and within my personal knowledge. I make this Declaration as a representative of Defendant RCI Hospitality Holdings, Inc. (“RCIHH”).

2. I am general counsel for RCI Management Services, Inc., which provides administrative and other support to RCIHH and its various subsidiary companies. Through my work in this role, I have obtained personal knowledge of the matters set forth below.

3. On November 1, 2022 (the date that I understand the Complaint was filed), RCIHH was incorporated in Delaware with its principal place of business in Houston, Texas. RCIHH received service of the Complaint through mail at its principal place of business.

4. RCIHH has never consented to California jurisdiction.

5. During any and all times identified in the Complaint, RCIHH was and remains a holding company. For the clubs identified in the Complaint, “Silver City,” “XTC,” and “Temptations,” those are owned and operated by Texas-based companies which are wholly-owned subsidiaries of RCIHH. Silver City Cabaret is located in Dallas, Texas. There are two XTC Cabarets, one located in Dallas, Texas and the other located in Austin, Texas. There are also two Temptations Cabarets, one located in Fort Worth, Texas and the other located in Beaumont, Texas.

6. During any and all times identified in the Complaint, RCIHH did not (1) own any real property or fixed assets in California, (2) conduct any business or operations in California, (3) have any offices in California, (4) have any employees

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1 who lived or resided in California, or (5) register to do business or have been
 2 qualified to do business in California.

3 7. During any and all times identified in the Complaint, RCIHH's
 4 subsidiaries did not conduct any business or operations in California save for one
 5 exception. In 2013, 1957 Del Amo, LLC a subsidiary of RCIHH, opened a club in
 6 Los Angeles, California, but that club was closed in 2014, and the subsidiary was
 7 sold in 2014.

8 8. RCIHH has never been party to litigation in California except for this
 9 lawsuit.

10 9. Because of RCIHH's lack of connections with California, coupled with
 11 the fact that Plaintiffs assert claims against RCIHH related to clubs located in Texas
 12 and owned and operated by subsidiaries incorporated in Texas with principal places
 13 of business in Texas, litigating this case in California is not rational. Having
 14 RCIHH's employees and representatives travel to California for discovery and trial
 15 of this case would impose a financial burden on RCIHH.

16 I declare under penalty of perjury under the laws of the United States of
 17 America that the foregoing is true and correct.

18 Executed in Houston, Texas on February 24, 2023.

19
 20 
 21 SCOTT SHERMAN

PROOF OF SERVICE

**JULIA HUBBARD and KAYLA GOEDINGHAUS v. TRAMMELL S. CROW,
JR. et al.**

United States District Court -- Central District Case No. 2:22-cv-07957

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Los Angeles, State of California. My business address is 355 South Grand Avenue, Fifteenth Floor, Los Angeles, CA 90071-1560.

On February 27, 2023, I served true copies of the following document(s) described as **DECLARATION OF SCOTT SHERMAN IN SUPPORT OF DEFENDANT RCI HOSPITALITY HOLDINGS, INC.'S MOTION TO DISMISS** on the interested parties in this action as follows:

SEE ATTACHED SERVICE LIST

BY CM/ECF NOTICE OF ELECTRONIC FILING: I electronically filed the document(s) with the Clerk of the Court by using the CM/ECF system. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system. Participants in the case who are not registered CM/ECF users will be served by mail or by other means permitted by the court rules.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on February 27, 2023, at Los Angeles, California.



Chantel Y Estrada

SERVICE LIST

***JULIA HUBBARD and KAYLA GOEDINGHAUS v. TRAMMELL S. CROW, JR.
et al.***

United States District Court -- Central District Case No. 2:22-cv-07957

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